



Morning Alert - Friday, May 25, 2018

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HEADLINES

Morning news

All broadcasters and national dailies led with reports on President Trump's cancellation of his summit with North Korean leader Kim Jong Un slated for June 12 in Singapore. NHK reported that the GOJ has expressed understanding for the President's decision and plans to continue to work closely with the U.S. and South Korea given that its position to seek the complete, verifiable, and irreversible denuclearization of North Korea remains unchanged.

INTERNATIONAL

President Trump cancels his planned summit with Kim Jong Un

All national dailies reported extensively on the announcement made on Thursday by President Trump that he has canceled his planned summit with North Korean leader Kim Jong Un scheduled for June 12 in Singapore. The White House released a letter that the President sent to Kim to express his intention to cancel the summit. The President said in the letter: "Sadly, based on the tremendous anger and open hostility displayed in your most recent statement, I feel it is inappropriate, at this time, to have this long-planned meeting." He went on to say: "You talk about your nuclear capabilities, but ours are so massive and powerful that I pray to God they will never have to be used." Asahi wrote that the President left open the possibility of rescheduling the summit by saying: "If you change your mind having to do with this most important summit, please do not hesitate to call me or write."

The President was quoted as telling reporters at the White House: "I believe that this is a tremendous setback for North Korea, and indeed a setback for the world." Explaining that he has spoken with Secretary of Defense Mattis, the President stated: "Our military, which is by far the most

powerful anywhere in the world, that has been greatly enhanced recently, as you know, is ready if necessary.”

Asahi conjectured that tensions on the Korean Peninsula may escalate following President Trump’s announcement because North Korea might take retaliatory actions. Yomiuri speculated that there may be renewed tension between Washington and Pyongyang depending on the DPRK’s future actions. The paper quoted a senior MOFA official as saying that it may be necessary for Japan to review its strategy following the cancellation of the summit because it believes that talks between the U.S. and North Korean leaders are essential for resolving the abduction issue. Mainichi analyzed that it has become difficult to foresee progress in the denuclearization of the Korean Peninsula because the prospects for dialogue between the United States and the DPRK have become dim. Nikkei conjectured that Washington and Pyongyang have not been able to bridge their differences over the procedures for denuclearization. Sankei speculated that the Washington and Pyongyang could shift from a relationship favoring dialogue to a relationship of tension. The paper quoted Sakie Yokota, the mother of Japanese abductee Megumi Yokota, as saying that she will calmly observe future developments.

DPRK official says cancellation of Singapore summit “unexpected and very regrettable”

NHK reported this morning that North Korea’s First Vice Minister of Foreign Affairs Kim Kye Gwan released a statement this morning saying that President Trump’s cancellation of the Singapore summit was “unexpected and very regrettable.” Kim also reportedly said: “The decision does not coincide with the people’s hopes to bring peace and stability not only to the Korean Peninsula but also to the world.” In addition, the North Korean official reportedly called on the Trump administration to reconsider holding the U.S.-DPRK summit by saying: “We are ready to provide the U.S. side with time and the opportunity.”

DPRK begins dismantling nuclear test site

All national dailies wrote that North Korea on Thursday started work to dismantle its nuclear test site in Punggye-ri in the presence of foreign reporters by destroying three of the four underground tunnels and other facilities there. Asahi and Yomiuri wrote that although the dismantling was an attempt by Kim Jong Un to demonstrate his intention to denuclearize ahead of his planned summit with President Trump on June 12, Pyongyang failed to invite any experts to observe the work. Yomiuri wrote that the dismantling does not constitute substantive progress toward denuclearization because the DPRK did not open the event to experts.

ECONOMY

U.S. mulls additional tariffs on auto imports

All national dailies reported on the announcement made by the Trump administration on Wednesday that it has launched an investigation based on Section 232 of the Trade Expansion Act to determine

the impact of auto imports on America's national security. Asahi wrote that according to the U.S. media, the Trump administration is mulling raising the tariff on imported passenger cars to 25% from the current 2.5%. Asahi analyzed that although it remains to be seen whether the Trump administration will actually impose additional tariffs on auto imports, the move will likely have a chilling effect on the global economy because of the massive market for autos. Yomiuri quoted Chief Cabinet Secretary Suga as telling a press briefing on Thursday that any steps on trade policy should be consistent with WTO rules and that Tokyo will continue to closely monitor future developments. Nikkei wrote that if new tariffs are imposed on auto imports, they will provide the United States with a powerful tool to extract concessions from Japan and other trade partners. The paper also said such tariffs could undermine the foundation of Japan's strategy of attaching importance to multilateral trade and have a major impact on Japanese auto manufacturers.

Bills on domestic procedures for TPP-11 clear Lower House

Asahi wrote that the House of Representatives approved on Thursday a set of bills to implement domestic measures in connection with the 11-nation TPP agreement. The move by the House, which earlier passed a separate bill to ratify the accord, paves the way for Japan to complete its domestic procedures for the CPTPP by late June. The deal will enter into force when at least six member states ratify it. Nikkei ran a similar report, adding that although Japan is hoping to urge the United States to return to the TPP by effectuating the TPP-11, the Trump administration is becoming increasingly inclined toward bilateral talks.

